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ABSTRACT

A study was conducted to determine whether the General Educational Development (GED) Test credential was acceptable to employers in hiring and promoting employees. Major employers in the Denver Metropolitan area were surveyed to determine (1) whether or not there are policies regarding GED credentials versus high school diplomas in governing the hiring of new employees; (2) whether or not possession of a GED credential will make an individual equal in hiring status to a person having a high school diploma; (3) whether or not jobs are available that might not be without an educational credential; (4) whether or not a GED credential will enhance promotion possibilities; and (5) whether or not a GED credential affects pay increases. Questionnaires were sent to 360 employers of more than 250 persons, with a return of 184 questionnaires (51 percent). The results showed that almost all employers in the Denver area accept the GED as equivalent to a high school diploma when hiring new employees. The study also found that the types of jobs available to those with a high school diploma or equivalent are more managerial, technical, and skilled than those available to persons without either a high school diploma or a GED credential. Having a GED credential could also increase the possibility of promotion by showing the employee's initiative. Earning a GED credential would not influence pay except as it might increase chances for promotion. (KC)

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RESEARCH BRIEF

GED TESTING SERVICE OF THE AMERICAN COUNCIL ON EDUCATION • August 1986 • No. 11

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# ACCEPTANCE OF GENERAL EDUCATIONAL DEVELOPMENT (GED) IN HIRING POLICIES OF DENVER AREA EMPLOYERS

Betty W. Carson

The need for a comprehensive test measuring the academic achievement level of adults comparable to high school graduates is evident in the large numbers of adults who take the General Educational Development (GED) test each year. The 1981–82 report on high school leavers in Colorado compiled by the Department of Education shows that approximately 11,519 persons discontinued their education with the public schools prior to achieving a high school diploma. During the same year 11,282 adults took the GED Tests and 8,569 earned a GED certificate (GEDTS, 1982.) Three of the major reasons that adult express for taking the test are: (a) to be recognized as equivalent to a high school graduate, (b) to increase employment opportunity, and (c) to continue educational or training pursuits. This study addresses that of increasing employment opportunity.

Studies by the Department of Labor (1980) and the Bureau of the Census (1981) have substantiated that high school leavers represent the highest incidence of those persons unemployed under normal economic conditions. Other studies have demonstrated that a person's level of educational achievement is directly proportional to his employment level and earnings over a lifetime (Bureau of the Census, 1981). This suggests that the higher the educational level a person achieves, the higher his employment level will be.

## PURPOSE

The purpose of this study was to determine whether or not the General Educational Development (GED) credential: (a) increases the employability of an individual; (b) makes any types of jobs available that might not be available without an educational credential; (c) increases the possibility of promotion; or (d) increases the possibility of pay increase. Employers in the Denver Metropolitan area were surveyed to determine: (a) whether or not there are policies regarding GED credentials versus high school diplomas in governing the hiring of new employees; (b) whether or not possession of a GED credential will make an individual equal in hiring status to a person having a high school diploma; (c) whether or not jobs are available that might not be without an educational credential; (d) whether or not a GED credential will enhance promotion possibilities; (e) whether or not a GED credential affects pay increases.

The Commission on Educational Credit and Credentials (the policy making body for the GED Testing Service of the American Council on Education) recommends that high school equivalency credentials issued on the basis of GED Test scores be accepted as meeting high school graduation requirements for purposes of employment, promotion, and licensing, in the same manner as high school diplomas are accepted (GEDTS, 1981). During April and May 1980, the GED Testing Service conducted a survey involving a nationally representative sample of examinees to gather detailed information on the background and preparation of persons currently taking the tests. The report was based on the responses of about 13,000 GED candidates at nearly 250 randomly selected GED Testing Centers throughout the United States. Results indicated that nearly 39% of the examinees take the GED Test chiefly for job-related reasons (Malizio & Whitney, 1981). Few studies have been conducted to determine whether employers accept the GED credential on the same basis as a high school diploma in hiring policies.[1] This

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*Note:* This *Brief* summarizes Carson, B. W. (1983). *Acceptance of General Educational Development (GED) in hiring policies of Denver area employers.* Unpublished doctoral dissertation, University of Northern Colorado, Greeley, CO.

[1] Editor's note: In May 1985, (after Carson's study was completed) the Office on Educational Credit and Credentials published a brief—*Educational Credentials in Employment: A Nationwide Survey.* Single copies are available by writing Andrew G. Malizio or Douglas R. Whitney at ACE.

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study addresses the use of the GED credential in obtaining employment from the perception of the employer rather than the employee.

The information from this study can be used in advising adults seeking employment about the value of a GED credential as perceived by employers.

The September unemployment rates for Colorado show that 4.3% of Colorado adults are unemployed (Colorado Department of Labor and Employment, August 1982). More adults need a quick, viable alternative to qualify for jobs than ever before. If it can be shown that a GED credential meets the need to meet the minimum requirements to apply for jobs, it would be very significant to those currently unemployed adults.

## PROCEDURE

To determine the value of a General Educational Development (GED) credential for employment, a questionnaire was developed to be completed by employers. The main questions to be answered were about employer policies of hiring new employees, types of jobs available, promotions and pay increases. Questions were also included to determine demographic data. At least two questions were asked about three of the study areas to determine how employers use the GED credential when hiring. The survey was conducted during spring 1983.

The Denver metropolitan area was chosen as the study location because it was rapidly accessible and is a large enough area to gather significant data. The Denver metropolitan area has been defined according to the guidelines of the Department of Labor and Employment as the eight county area of Adams, Arapahoe, Boulder, Clear Creek, Denver, Douglas, Gilpin and Jefferson Counties. This area represents 56% of the state's population and 64% of the state's non-agricultural employees (Colorado Department of Labor and Employment, August 1982).

The latest *Colorado Labor Force Review* available was for August, 1982 and estimated the total number of employed persons in the Denver metropolitan area. Major employers were identified as those employing 250 or more persons for two reasons: first they are easily identified and located, and second because questionnaires to 360 employers would survey the majority of the Denver Metropolitan area labor force. By constructing a mailing list of employers of more than 250 persons, 360 employers were identified who employ approximately 575,000 employees of the Denver Metropolitan area labor force, or approximately 70%. The Standard Industrial Classification (SIC Codes) breakdown of industries was used to be consistent with the Department of Labor's Reports and to determine if there are significant differences in job availability in different sectors of industry that would be important information for GED credential holders. Checks were made to determine that a representative sample of employers from each industry were included in the survey. By identifying the major groups of employers in each industry group, it would be possible to determine any trends in certain classifications of industry that might not be typical of the majority.

By the final date, 184 questionnaires were returned—a 51% return representing the employment policies for 270,130 individuals, or 33% of the total labor force in the Denver metroplitan area. With the exception of the construction industry, this appears to be a viable representation of employer policies.

## ANALYSIS AND FINDINGS

1. *Does the GED credential increase the employability of an individual?*

From the questionnaires returned by major employers in the Denver Metropolitan area, it was determined that the majority accept the GED as equivalent to a high school diploma when hiring new employees. Only six employers (3%) made a distinction between GED and high school diplomas when hiring new employees. With all factors being equal 83% of the employers would consider hiring a GED credential holder or a high school graduate equally. 16% would prefer a high school graduate and 1% would prefer a GED credential holder.

**With all factors being equal 83% of the employers would consider hiring a GED credential holder or a high school graduate equally, 16% would prefer a high school graduate and 1% would prefer a GED credential holder.**

2. *Does the GED credential make any types of jobs available that might not be available without an educational credential?*

Although many jobs are available to applicants whether or not they have educational credentials, it is apparent that the types of jobs available to those with an educational credential are more managerial, technical and skilled types of jobs which tend to increase a person's job level. In general, persons who do not have a high school diploma or GED credential would not have access to higher level jobs.

3. *Does the GED credential increase the possibility of promotion?*

Very few employers require employees to obtain a high school diploma or GED credential to keep a job once hired. The respondents are equally divided in stating that obtaining a GED credential would enhance promotion. Other factors such as work perfomance are given a greater consideration than educational credentials. Employers stated that employees who obtain their GED credential showed initiative and motivation, which does help with promotion reviews. Employers in general value educational credentials when considering employees for promotion.

4. *Does the GED credential increase the possibility of pay increase?*

It seems apparent that earning a GED credential would not guarantee the holder an increase in salary although it might increase chances for promotion and indirectly for salary increases.

## CONCLUSIONS

The following conclusions were reached based on the results of the questionnaires:

1. The GED credential is important for persons planning to work since 29% of the employers who responded have formal personnel policies related to educational achievement. Only 3% make a distinction between the GED credential and high school diploma. A significant number (96%) of the respondents stated that they accepted the GED credential. Additionally, 83% of the respondents consider the GED certificate and the high school diploma equally in their hiring preference when all other factors are equal. Generally speaking, the GED credential is an important consideration given by many of the employers.

2. The GED credential is important in making available some jobs that might otherwise not be available. Of the respondents, 41% indicated that some positions are eligible only to those with high school diplomas or GED credentials such as administration, supervisory, management, technical and skilled positions. Employers in a significant number (79%) indicated that jobs are available to persons who do not have either a high school diploma or a GED credential. Generally those positions included unskilled labor, maintenance, or entry level jobs. The type and level of positions available appear to be dictated by level of educational achievement.

3. The GED credential can be used by the recipients in many industries for the purpose of being promoted into jobs of increasing responsibility. Employers are equally concerned about work performance as with educational achievement which indicates a person's ability to move into jobs of increased responsibility. The most important factor for job applicants is the inability to be considered for some jobs without a GED credential or high school diploma.

4. The use of the GED credential for salary increase does not appear to be of significance. Most of the respondents (96%) did not award salary increases for further educational development.

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### Research Briefs

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*The New GED Tests: An Overview for 1988-1998* (1986). A videotape for teachers and students. Describes the content and skills for the GED Tests—from the student's point of view. Available from Contemporary Books, Inc., 180 North Michigan Avenue, Chicago, IL 60601.

*Thinking Skills* (1986). A videotape for teachers, illustrating the kinds of reasoning skills required by the GED Tests; includes sample test questions. Available from KET Enterprise, 2230 Richmond Road, Lexington, KY 40502.